C4200-1 4/2-18-1

A GRALLA PUBLICATION

APRIL 1984

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

HOME HEALTH & PERSONAL CARE

...tracking a growing category

Savvy retailers market blood pressure monitors to the health conscious

'Hairstylist to the Stars' tells which appliances best suit your customers

Foley's pharmacist/buyer creates a home healthcare headquarters

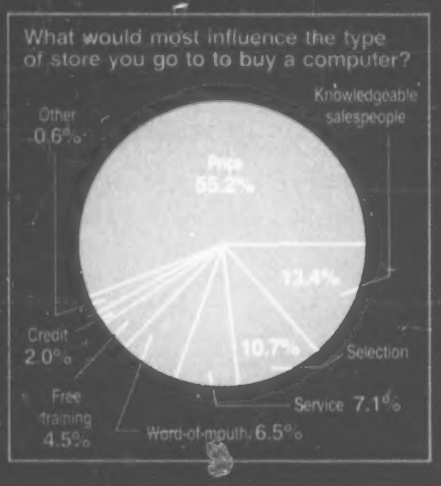
Retailers seek innovation in personal care offerings

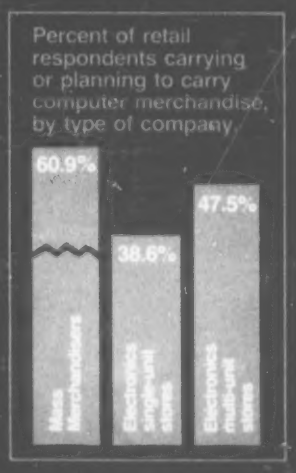
Dual surveys predict mass merchandisers' success with computers...

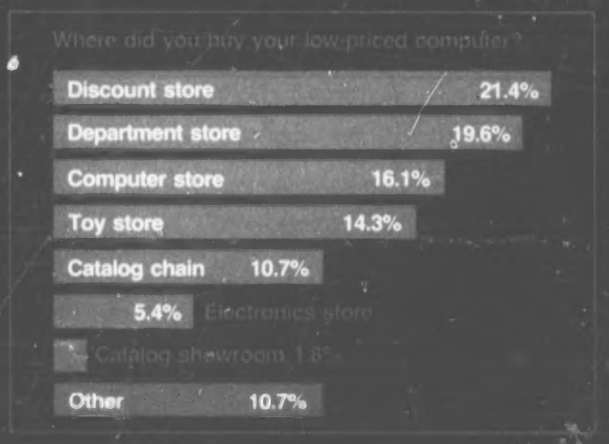
If you already own a low-priced computer, do you plan to purchase another computer in the next 12 months?

YES

21%







A GRALLA PUBLICATION
Executive Office: 1515 Broadway, New York, NY 10036 212/869-1300

Lee Rath . . . . . editor
Aaron Neretin . . editorial and marketing consultant

EDITORIAL STAFF

Editor . . . . . Lee Rath
Managing Editor . . . . Nancy Markov
Sr. Assoc. Editors . Stephanie Flory
Michele Tomasik
Assistant Editor . . . . Michael Garry
Field Editors . . . Debbie Rosenblum
Marilyn Sibirski
Pat Stoll
Management Corres. . . . . Solomon J. Cooper
Security Editor . . . . . Diane Botnick
Washington Corres. . . . . Bob Gatty
Financial Corres. . . . . Allen Fishman
Training Corres. . . . . . Michael Currie
Editorial Director . . . Howard Rauch
Research Director . Robert Leibson
Research Manager . . . . Selma Book

MARKETING/SALES SERVICES

Director . . . . . Susan Matthews
Promotion Director Peggy I. Scholtz
Promotion Manager . Tono Rondone
Production Director . . . Barry Miller
Production Manager . . Jody Nebiett
Production Asst. . Pamela C. Wood
Circulation Director . James Fischer
Circulation Manager Barbara Iavaroni
Classified Manager . Nancy Berman

SALES OFFICES

Eastern Regional Office:
1515 Broadway, NY 10036
Susan Matthews (212) 869-1300
Edward Judge

Midwest Regional Office:
3525 W. Peterson Ave.,
Chicago, IL 60659
Robert Sarra, II (312) 463-1102
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Phil Wexler (213) 788-0271

GRALLA PUBLICATIONS

Bank Systems & Equipment • Catalog Showroom Business • Contract • Facilities Design & Management • Giftware Business • Health Care Systems • Impressions • Kitchen & Bath Business • Meeting News • Multi-Housing News • National Jeweler • Premium/Incentive Business • Sew Business • Sporting Goods Business • Travel Agents Marketplace

PRESIDENT—Lawrence Gralla **EXECUTIVE VICE PRESIDENT**—Milton Gralla **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Rosalind Schacknow, Marshall D. Siegel, Morton L. Silverman

MERCHANDISING (USPS 104-810) (ISSN 0362-3920) is published monthly by Gralla Publications, 1515 Broadway, New York, NY 10036. Telephone (212) 869-1300. Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $33.00 per year. Foreign subscriptions $55.00 per year. Single copies $4.00 except for March and May issues $15.00. Second Class postage paid at New York, NY and additional mailing offices.

SUBSCRIPTION INFORMATION AND ADDRESS CHANGES: Write to MERCHANDISING, Circulation Department, Room 930, 1501 Broadway, New York, NY 10036. Change-of-address notices should be sent promptly, provide old as well as new address, include ZIP code number and address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to MERCHANDISING, Circulation Department, Room 930, 1501 Broadway, New York, NY 10036. Second Class postage paid at New York, NY, and additional mailing offices.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available in microfilm from University Microfilm, Ann Arbor, MI 48106

Merchandising

FOR OVER 56,200 RETAILERS & WHOLESALERS

April 1984
Our 77th Year
Vol. 9, No. 4

Merchandising COMPUTERS

Mass merchandisers to get more computer pie

By Michele Tomasik, sr. assoc. ed.

NEW YORK—It's starting to look like the mass merchandisers are going to be capturing more and more of the computer business in the months ahead.

Consumers, starting to feel more comfortable with the product, are indicating that they don't require quite so much in the way of support as they have in the past. In fact, it looks like price has become the prime consideration, whether they expect to use the computer for games, home management or even business.

Furthermore, there's a growing body of second-time buyers out there, people who already have cut their teeth on a Timex or another low-priced unit and are ready for something more powerful. These people certainly feel that they have learned the basics (if not the BASIC) and are ready to make an informed selection pretty much on their own.

These were among the findings of a consumer survey done by *Merchandising* this past January in four major cities—New York, Cincinnati, Minneapolis and Los Angeles.

Although the figures are not projectable to the country as a whole, the survey found that 28.2 percent of the 535 individuals interviewed in malls and other shopping centers already have a computer at home. An additional 32.4 percent said they plan to buy a computer before the year ends (and this includes 17.6 percent of all the computer owners, who plan to buy another).

All in all, a whopping 80.7 percent said that they fully expect to own a computer sometime in their lifetime.

Market is changing

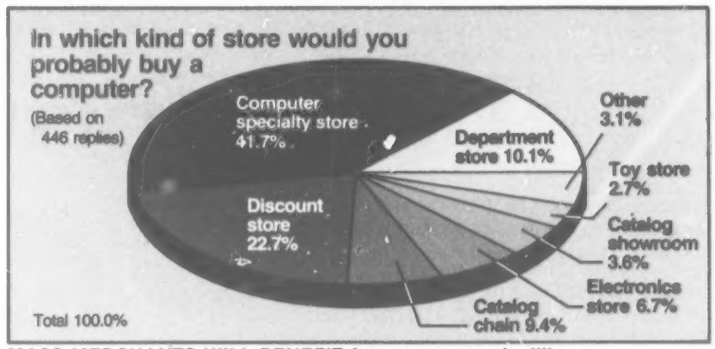
Price stood out as the single greatest influence on where people decide to buy a computer, with 48.5 percent of the owners mentioning it as the deciding factor when they made their final purchase. Selection, sales help, service and training were far down the list.

This would indicate that more computers, even high-end models, such as those made by Apple, IBM, Epson and Kaypro, would be bought from locations other than computer specialty stores—if only they were more widely available at such outlets.

There were other indications that computer specialty stores may be loosening their stranglehold on the market. While 58.2 percent of all the shoppers interviewed reported they would visit a specialty store while shopping for a computer, a smaller 41.7 percent said they would actually buy one there.

On the other hand, 22.7 percent of the shoppers said that they would buy their computer from a discount store

(Continued on page 43)



MASS MERCHANTS WILL BENEFIT from consumers' willingness to buy a computer from stores other than computer specialists.

Cuts home computer inventories

Hess's shifts emphasis to high-end goods

By Michele Tomasik, sr. assoc. ed.

ALLENTOWN, PA—Hess's is retrenching.

The department store chain has drastically cut back the hardware, software and peripheral selections in its home computer departments. At the same time, it is launching a series of leased departments that will merchandise high-end personal computers to a more sophisticated audience.

As it now stands, the home computer department is featuring only Commodore 64's and compatible peripherals, offered mainly in bundled packages. The only software is 64-compatible—and then, only the hits are stocked. Titles for machines once carried by Hess's can be special ordered.

Meanwhile, the high-end departments emphasize Apple and also sell hardware by Digital, Kaypro and Columbia.

It's a new approach to merchandising a challenging category that Hess's has been involved with for

(Continued on page 50)

SALES ROSE 34% ABOVE PROJECTIONS at Hess's first Professional Computer Center in its first six months of operation. The department store chain has opened three more professional centers since the first made its debut in September.

Low-end computer shakeout could spell more profits

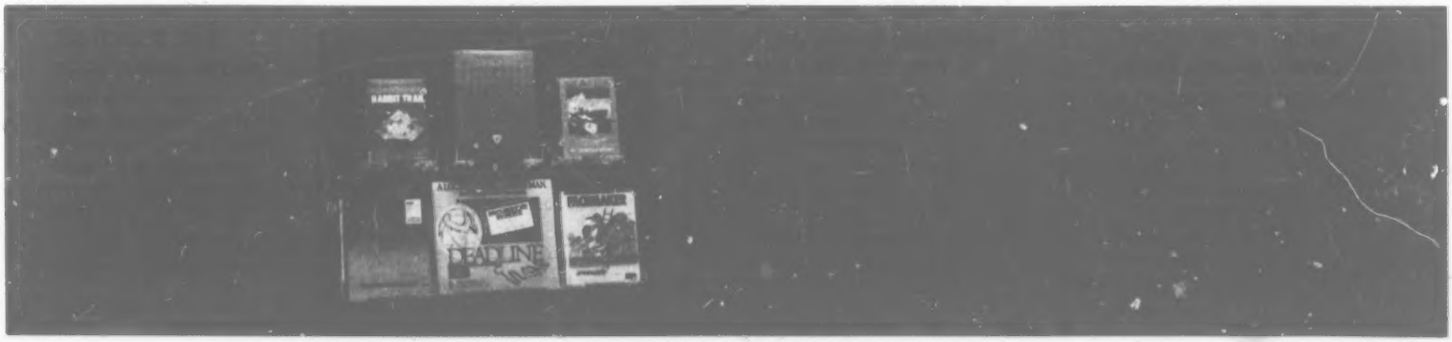
By Ken Coach, contributing editor

OKLAHOMA CITY—There are growing signs that the shakeout in the low-end home computer market could result in more stability and increased profits for dealers of more expensive products.

As Texas Instruments, Mattel, Milton Bradley and Timex have dropped their low-end computer products, consumers have become attracted to more expensive models such as those made by Apple and IBM because they can be sure software and servicing will continue for these machines.

Pricing, of course, is still a factor, but it too is being re-evaluated by the

(Continued on page 47)



21% of computer owners plan to buy another

Owners of under-$1,000 computers

How much did your personal computer cost? (Based on 59 replies)

Average cost	$355

Where did you buy your personal computer? (Based on 56 replies)

	Number of replies	Percent of response
Discount store	12	21.4%
Department Store	11	19.6
Computer store	9	16.1
Toy store	8	14.3
Catalog chain	6	10.7
Electronics store	3	5.4
Catalog showroom	1	1.8
Other	6	10.7
Total	56	100.0%

If you were to buy a computer today, what brand would it be? (Based on 55 replies)

	Number of replies	Percent response
Same brand	19	34.6%
Equivalent price	12	21.8
More expensive	24	43.6
Total	55	100.0%

Do you plan to purchase another computer within the next 12 months? (Based on 62 replies)

	Number of replies	Percent of response
Yes	13	21%

What is your household income? (Based on 62 replies)

	Number of replies	Percent of response
Under $10,000	3	4.8%
$10,000-$19,000	9	14.5
$20,000-$29,000	16	25.8
$30,000-$39,000	17	27.4
$40,000-$49,000	11	17.8
$50,000 or more	6	9.7
Total	62	100.0%

(Continued from page 41)

(while only 12.8 percent would visit one first) and 10.1 percent said they would purchase theirs in a department store (8.9 percent would preshop there).

Surprisingly, electronics specialty stores were not perceived as places to buy a computer. Less than 10 percent of the interviewees said they would either shop for or buy a computer in such a store.

Not surprisingly, outlets other than computer specialty stores were favored by the shoppers who already owned low-priced computers, such as those made by Atari, Commodore and Coleco. Forty percent had bought theirs at either a discount or a department store.

The significance here is that many of these computer owners indicated that they are ready to trade up. Twenty-one percent said they planned to buy another in the next 12 months, and 43.6 percent of them reported they plan to buy a more expensive model the second time around. IBM and Apple were the makes most often cited.

When they do return to the market, these shoppers may well be more inclined to buy their second computer at a non-specialty store. Indeed, 43.2 percent of all computer owners said they now felt "very confident" about making a computer buying decision, compared with only 15.5 percent of the non-owners.

Although price was listed as the number one priority of the shoppers queried, it seems they are still willing to invest a considerable amount of money in a computer. Fifty percent of the owners had spent more than $1,000 on their machines. The average cost of a high-end computer was $2,652. Low-priced models averaged $355.

Nevertheless, more than 60 percent of the shoppers surveyed said they think computer prices will fall by the end of the year—which may indicate that some are holding off making a purchase, waiting for costs to tumble still further.

There also appears to be some misconception on the part of non-owners as to what it would cost to computerize them. Almost half said they thought they could get a satisfactory system for $800 or less.

On the other hand, more than 70 percent of the presumably more knowledgeable owners said they would spring for a package totaling $800 or more. And more than 28 percent of the owners said they would be willing to spend more than $3,000 on their second system.

Getting serious

The computer owners contacted by the survey are obviously using their machines as more than game-playing devices. As a result, peripherals are becoming a more important part of their purchase.

Exactly half of the owners said they had bought a disk drive, and printers, monitors and joysticks (all work and no play...) were found in no less than 44.7 percent of the homes of all computer owners.

Additionally, the shoppers queried indicated that their number one use for a computer would be for business. Computer owners said 32.8 percent of

(Continued on page 44)

Characteristics of the sample

NEW YORK—Interviews for *Merchandising*'s consumer study of the home computer market were conducted in shopping areas in four main regions—California, Minnesota, the New York metropolitan area and Ohio. The highest percentage of owners was found in Minnesota where 54 of the 126 people interviewed said they own a home computer.

Those consumers queried resided in both cities and rural areas. More than 50 percent of them said they lived in a suburb.

Slightly more than 75 percent of the sample said they were currently employed. The remainder was split about evenly among students, homemakers and the unemployed.

The amount of men interviewed outnumbered women by a slight margin.

What is the number of children in your household? (Based on 62 replies)

	Number of replies	Percent of response
None	21	33.9%
One or more	42	66.1

What is the number of persons in your household? (Based on 62 replies)

	Number of replies	Percent of response
One	7	11.3%
Two	17	27.4
Three or more	38	61.3

90 percent of computer owners are satisfied

Owners of over-$1,000 computers

How much did your personal computer cost? (Based on 82 replies)

Average cost	$2,652

Where did you buy your personal computer? (Based on 85 replies)

	Number of replies	Percent of response
Computer store	41	48.2%
Electronics Store	19	22.3
Department store	5	5.9
Discount store	5	5.9
Catalog chain	5	5.9
Other	10	11.8
Total	85	100.0%

Do you plan to purchase another computer within the next 12 months? (Based on 77 replies)

	Number of replies	Percent of response
Yes	11	14.3%

If you were to buy a computer today, what brand would it be? (Based on 78 replies)

	Number of replies	Percent of response
Same brand	45	57.7%
Equivalent	17	21.8
More expensive	10	12.8
Less expensive	6	7.7
Total	78	100.0%

What is your household income? (Based on 85 replies)

	Number of replies	Percent of response
Under $10,000	1	1.2%
$10,000-$19,000	7	8.2
$20,000-$29,000	10	11.8
$30,000-$39,000	16	18.8
$40,000-$49,000	20	23.5
$50,000 or more	31	36.5
Total	85	100.0%

What is the number of persons in your household? (Based on 85 replies)

	Number of replies	Percent of response
One	13	15.3%
Two	38	44.7
Three or more	34	40.0

What is the number of children in your household? (Based on 85 replies)

	Number of replies	Percent of response
None	59	69.4%
One or more	26	30.6

(Continued from page 43)
the machine's time is used for business applications.

Among owners of high-end computers, Apple was, by far, the most popular brand, followed at a distance by IBM and, at another distance, by Radio Shack. Among other computers turning up on the survey were Kaypro, Epson and Sanyo.

At the low-priced level, Atari was the computer most often owned, although it was followed closely by Commodore. Showing up further down the chart were Coleco, Timex and a few Mattel models.

Looking at the owners of low-priced computers and comparing them with the owners of high-end units, we find a number of differences, none of them too surprising.

Owners of the more expensive units earn more. Their median household income was $44,500 compared with $32,059 in the other group. Four times more high-end computer owners had household incomes of more than $50,000 than in the low-priced computer owner group.

Owners of the low-priced products also had larger households and more children, supporting the theory that most of these units are being bought primarily for the kids' benefit.

If there was one factor uniting the two groups, it was satisfaction. In fact, 52 percent of the owners said they were satisfied with their purchase, and another 38.7 percent went so far as to describe themselves as "very satisfied."

Who did it

Statistical matter for this survey was compiled by Selma Book, market research manager, Matea S. Esguerra, research associate, Pat Jagbandhansingh, research associate, and Renee Weil, assistant market research manager for Gralla Publications.

All consumers surveyed...

How much would you be willing to spend for a complete computer package (computer/monitor/printer/modem/disk drive)? (Based on 511 replies)

	All replies	Owners	Non-owners
Under $250	10.2%	6.5%	11.5%
$250-$299	4.7	5.1	4.6
$300-$399	8.8	3.6	10.7
$400-$799	19.6	13.8	21.7
$800-$1,499	18.4	14.5	19.8
$1,500-$2,499	16.6	18.8	15.8
$2,500-$2,999	8.2	9.4	7.8
$3,000 or more	13.5	28.3	8.1
Total	100.0%	100.0%	100.0%

What personal computer add-ons would you buy? (Based on 457 replies)

	All replies	Owners	Non-Owners
Printer	68.5%	77.9%	64.7%
Disk drive	50.3	62.6	45.4
Monitor	47.7	55.7	44.5
Joystick	46.8	47.3	46.6
Modem	30.0	43.5	24.5
Cassette deck	20.6	16.8	22.1

...owners surveyed.

What personal computer add-ons do you have? (Based on 150 replies)

	Number of replies	Percent of response
Disk drive	75	50.0%
Printer	73	48.7
Joystick	67	44.7
Monitor	67	44.7
Modem	43	28.0
Cassette deck	33	22.0
Extra memory	1	0.7
None	19	12.7

61% of mass merchants polled carry or plan to carry computers

First of a two-part series

By Michele Tomasik, sr. assoc. ed.

NEW YORK—Price-conscious consumers who need a computer fix will be able to satisfy almost any craving at most local mass merchandisers this year as discounters, department stores and catalog showrooms make stronger moves into the market.

Those that carried computer merchandise in 1983 and will continue to sell it this year are increasing their inventories of hardware, software and peripherals by much more than any other type of store.

And although fewer mass merchandisers will be carrying hardware (some are choosing to retire to the sidelines while the manufacturers slug it out), many said they plan to enter (or re-enter) the market in 1985.

Software and peripherals, however, are another story. More mass merchandisers plan to get into these categories in 1984, highlighting their confidence in these industries which have fewer dropouts and deliver higher profit margins than hardware.

These conclusions are drawn from responses given by 406 retailers (representing 1,378 stores) surveyed nationwide by *Merchandising*.

Getting involved

Nearly 61 percent of the mass merchants polled presently carry or plan to carry computers in the near future, far surpassing any other type of electronics-oriented retailer, except for computer specialty stores. This includes radio/TV stores, electronics specialty stores, audio/hifi specialty stores, household appliance stores, video specialty stores and general merchandise stores.

Overall, a 21 percent increase in sales is projected for mass merchants for 1984 for all types of computer products (hardware, software and peripherals).

But the computer category in which mass merchandisers are showing the most interest this year is software. The average respondent expects to increase his inventory in this area by 36.4 percent in 1984. And software inventories at these stores already are worth more than those on hand at single-unit electronics stores. (Several computer specialty stores among the group of electronics multi-unit stores account for the large inventory levels there.)

More than 85 percent of the mass merchandisers carried software last year, well ahead of the other types of stores. That's expected to climb to 89.3 percent this year and stabilize there through 1985, still ahead of the others.

The mass merchandisers also scored well in terms of software selection, offering an average of 47 different titles for Atari machines, for

(Continued on page 48)

Characteristics of the sample

NEW YORK—Forty-six of the 406 retailers that responded to this survey fell into the category of mass merchants (discount stores, department stores and catalog showrooms). The remaining retailers—classified as either single-unit or multi-unit (chain) operations that carry electronics—included radio/TV stores, electronics specialty stores, audio/hifi specialty stores, household appliance stores, video specialty stores, computer specialty stores and general merchandise stores.

Percentage of respondents carrying or planning to carry computer merchandise, by type of company.

	Number of Replies		
	All Replies	Carry now, or will carry	Percent carrying or planning to
Mass Merchandisers	46	28	60.9%
Electronics single-unit stores	260	100	38.6%
Electronics multi-unit stores	80	38	47.5%
Total	406	174	42.9%

Change in the number of retailers carrying computer products.

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
'84 vs. '83				
Hardware	−5.4%	−11.5%	−3.3%	−6.7%
Software	+3.6	+ 4.2	+4.8	0.0
Peripherals	−0.8	+ 5.6	0.0	−7.7
Expected '85 vs. '84				
Hardware	+2.1%	+ 4.3%	+1.1%	+3.8%
Software	+1.4	0.0	+3.4	−3.4
Peripherals	+4.2	+ 5.3	+4.9	+4.2

What change (%) do you expect in your company's sales ($) of computer products (hardware, software, peripherals) in 1984 vs. 1983? What change do you expect in 1985 vs. 1984? (Based on 97 replies)

	Expected Percent Change			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
'84 vs. '83	+22.6%	+21.0%	+23.5%	+21.8%
'85 vs. '84	+21.9%	+14.9%	+23.1%	+26.1%

What change (%) do you expect in these average inventories for full-year '84 compared to '83?

	Expected Percent Increase			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
HARDWARE '84 vs. '83	12.9%	16.4%	12.9%	9.5%
SOFTWARE '84 vs. '83	21.8%	36.4%	18.9%	17.1%
PERIPHERALS '84 vs. '83	14.6%	34.2%	13.1%	4.2%

What was your average inventory (retail value) per store for each of the following types of computer products in 1983?

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
HARDWARE				
Under $2,000	9.0%	13.3%	10.2%	0.0%
$2,000-$4,999	22.5	26.7	22.0	20.0
$5,000-$9,999	24.7	26.7	25.4	20.0
$10,000-$19,999	18.0	20.0	18.7	20.0
$20,000 or more	25.8	13.3	23.7	13.3
Total	100.0%	100.0%	100.0%	73.3
Average inventory	$24,583	$16,283	$14,093	$74,153
SOFTWARE				
Under $2,000	20.9%	26.7%	23.2%	6.7%
$2,000-$4,999	29.1	13.3	30.7	33.3
$5,000-$9,999	16.3	13.3	17.9	13.3
$10,000-$19,999	22.1	40.0	18.1	26.7
$20,000 or more	11.6	6.7	7.1	20.0
Total	100.0%	100.0%	100.0%	100.0%
Average inventory	$13,407	$7,000	$8,786	$47,533
PERIPHERALS				
Under $2,000	23.4%	18.8%	28.9%	7.1%
$2,000-$4,999	31.1	56.3	23.8	35.7
$5,000-$9,999	16.6	18.8	23.8	28.6
$10,000-$19,999	20.8	37.5	17.8	14.3
$20,000 or more	7.8	6.0	7.7	14.3
Total	100.0%	100.0%	100.0%	100.0%
Average inventory	$8,344	$5,859	$6,349	$16,821

Mass merchants plan to expand software lines

(Continued from page 46)

example. Commodore, Atari and Apple computers are now being given the most software support.

While the mass merchandisers did have the highest proportion of game software among the stores polled, other survey findings indicate that they certainly do not deserve their reputation as games-only stores.

For example, the mass merchandisers surpassed smaller multi-unit stores in the number of educational titles offered. They had more personal productivity titles than single-unit stores. And their educational software sales beat out those at both groups.

All in all, 21 percent of the software stocked by mass merchandisers falls into the educational category, while business and personal productivity titles account for 10.3 and 12.4 percent, respectively.

Peripherals expansions planned

Peripherals inventories will be expanded by an average of 34.2 percent at discount and department and catalog showrooms this year, far greater than those at the other types of stores polled.

Better than 64 percent of the mass merchandisers offered peripherals last year, putting these stores somewhat behind the competition. However, that figure will jump to 67.9 percent this year and 71.4 percent in 1985, as these stores rush to catch up.

Already, however, consumers can find a wide selection of peripherals in those stores that do offer them. All mass merchandisers polled that carry peripherals said that they sell cassette players while controllers (joysticks, mouses, light pens, etc.) were stocked by 95.7 percent of those that responded.

The only products where these mass merchandisers lagged behind were high-end items such as floppy disk drives and memory expansion modules. However, many of the more than 21 percent of mass mechandisers that said they will add computer peripherals in 1984 said that these goods would be on their shopping lists. Modems and monitors will also be available on more of their shelves this year.

Mass merchandisers lead the field in hardware growth projections for 1984. Those that are committed to the business are planning to increase their inventories an average of 16.4 percent over last year.

Almost 93 percent of the mass merchandisers polled carried computer hardware last year. That's expected to slip to 82.1 percent this year before bouncing back to 85.7 percent in 1985. For both '83 and '85, this puts these stores well ahead of the competition. And this year, they're just about neck and neck.

As expected, they said nearly 60 percent of their hardware sales are generated by products selling for $100 to $299, the most popular being those by Commodore, Atari and Coleco.

This is, however, far below what the majority of consumers polled in a separate survey *(see page 43)* said they would be willing to spend for a computer. But the discount and department stores and catalog showrooms seem to realize this, and nearly half said they plan to upgrade their computer offerings in the near future to bring in customers interested in higher-end merchandise.

Which of the following peripherals did you carry in 1983?
(based on 138 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Cassette player	89.9%	100.0%	87.5%	88.5%
Printer	88.4	87.0	88.5	
Controllers (joystick, mouse, light pen, etc.)	83.3	95.7	76.4	96.2
Floppy disk drive	79.7	78.9	80.9	80.8
Monitor	79.0	65.2	80.9	84.6
Telephone modem	71.0	78.3	66.3	80.8
Expanded memory modules	62.3	56.5	59.6	76.9

Are you likely to add any peripherals in the coming year?
(Based on 116 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Yes	25.9%	21.7%	23.9%	58.4%
No	74.1%	78.3%	76.1%	43.6%

If yes, what peripherals are you likely to add? (Based on 73 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Telephone modem	40.0%	60.0%	41.2%	25.0%
Monitor	23.3	40.0	17.6	25.0
Expanded memory modules	20.0	40.0	11.8	0.0
Floppy disk drive	16.7	40.0	17.6	0.0
Speech synthesizer	16.7	0.0	29.4	
Controllers (joystick, mouse, light pen, etc.)	13.3	20.0	17.6	0.0
Printer	13.3	40.0	11.8	0.0
Cassette player	10.0	20.0	11.8	0.0
Other	56.7	0.0	82.4	87.5

What portion (%) of all the software titles you carry are accounted for by each of the following categories?

	Percent of Software Titles			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Games	43.4%	55.3%	32.0%	44.1%
Business	25.1	10.3	30.8	22.0
Educational	21.1	21.0	21.8	19.1
Personal productivity	10.4	12.4	6.4	14.8
Total	100.0%	100.0%	100.0%	100.0%

What portion (%) of your computer software sales was accounted for by each retail price category (excluding state/local taxes) in 1983?

	Percent of Software Sales			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Under $20	12.5%	16.1%	12.1%	9.9%
$20-$29	30.7	33.9	27.2	40.7
$30-$49	23.9	30.1	20.8	19.4
$50-$74	13.2	6.7	13.8	16.8
$75-$99	6.8	4.5	6.8	5.1
$100 or more	13.9	0.6	19.5	8.5
Total	100.0%	100.0%	100.0%	100.0%

What portion (%) of your computer hardware sales was accounted for by each retail price category (excluding state/local taxes) in 1983?

	Percent of Hardware Sales			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Under $100	16.2%	16.8	15.7%	16.1%
$100-$299	35.3	59.6	33.7	30.9
$300-$499	15.6	14.0	14.5	23.1
$500-$749	7.5	5.4	7.5	7.2
$750-$999	5.9	1.3	4.9	5.7
$1,000 or more	18.7	1.2	23.6	20.2
Total	100.0%	100.0%	100.0%	100.0%

Coming next month

How retailers run their computer department, and how they really feel about the industry

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **Tootsie** *(RCA/Columbia)*	1	2
2. **Mr. Mom** *(Vestron)*	8	2
3. **WarGames** *(CBS/Fox)*	—	1
4. **Never Say Never Again** *(Warner)*	—	1
5. **Staying Alive** *(Paramount)*	6	2
6. **Raiders of the Lost Ark** *(Paramount)*	3	4
7. **Risky Business** *(Warner)*	2	4
8. **Trading Places** *(Paramount)*	—	1
9. **The Making of Michael Jackson's "Thriller"** *(Vestron)* **GP**	4	3
10. **National Lampoon's Vacation** *(Vestron)* **GP**	5	4
11. **Easy Money** *(Vestron)*	—	1
12. **Brainstorm** *(MGM/UA)* **G**	7	2
13. **Porky's II** *(CBS/Fox)*	14	2
14. **Cujo** *(Warner)*	13	3
15. **Deal of the Century** *(Warner)*	—	1
16. **Flashdance** *(Paramount)*	9	7
17. **Star Chamber** *(CBS/Fox)*	—	1
18. **Eddie and the Cruisers** *(Embassy)*	18	2
19. **Class** *(Vestron)*	11	2
20. **Blue Thunder** *(RCA/Columbia)*	10	5
21. **Jane Fonda's Workout** *(Karl Video)* **GPI**	20	15
22. **48 Hours** *(Paramount)*	16	9
23. **Delirious** *(Paramount)*	30	4
24. **Salem's Lot** *(Warner)*	—	1
25. **The Grey Fox** *(Media)*	24	3
26. **Twilight Zone—The Movie** *(Warner)* **P**	15	4
27 **Krull** *(RCA/Columbia)*	—	1
28. **Dawn of the Dead** *(Thorn EMI)*	23	3
29. **The Man from Snowy River** *(CBS/Fox)*	21	7
30. **Dark Crystal** *(Thorn EMI)*	—	3

Top 10 in videocassette sales

1. **The Making of Michael Jackson's "Thriller"** *(Vestron)* **GP**	1	3
2. **Raiders of the Lost Ark** *(Paramount)*	2	5
3. **Jane Fonda's Workout** *(Karl Video)* **GPI**	3	21
4. **Staying Alive** *(Paramount)*	6	2
5. **Flashdance** *(Paramount)*	4	7
6. **Trading Places** *(Paramount)*	—	1
7. **Risky Business** *(Warner)*	5	4
8. **Tootsie** *(RCA/Columbia)*	7	2
9. **Never Say Never Again** *(Warner)*	—	1
10. **48 Hours** *(Paramount)*	10	9

Top 5 in CED videodisc sales

1. **Tootsie** *(RCA/Columbia)*	3	2
2. **Raiders of the Lost Ark** *(Paramount)*	1	4
3. **WarGames** *(CBS/Fox)*	2	4
4. **Staying Alive** *(Paramount)*	5	2
5. **The Making of Michael Jackson's "Thriller"** *(Vestron)* **GP**	—	1

Top 5 in laserdisc sales

1. **Raiders of the Lost Ark** *(Paramount)*	1	4
2. **Never Say Never Again** *(Warner)*	—	1
3. **The Making of Michael Jackson's "Thriller"** *(Vestron)* **GP**	3	2
4. **Tootsie** *(RCA/Columbia)*	—	1
5. **Risky Business** *(Warner)* **GP**	4	3

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I—Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

KARL

HOW TO TEACH YOUR BABY TO READ Child development specialist Glenn Doman reveals research that proves that children actually learn more from birth to the age of six than they do for the rest of their lives. At the Institute for the Achievement of Human Potential, where Doman teaches, three-year-olds learn to read more readily than seven-year-olds. With only a few minutes work a day, even a six-month-old baby can learn its first words within two weeks, Doman claims. *Color 110 minutes C: $49.95.*

MCA

D.C. CAB (1984) A young southerner (Adam Baldwin) brings pride and esteem to a group of society's outcasts in a rag-tag Washington, DC cab company on the verge of extinction. Albert must win over the "DC cab personalities" including Mr. Samson (Mr. T) and Dell Dorado (Gary Busey). A number of zany incidents are shown in the film, including a high-speed chase through the city and an encounter with the "Angel of Death." Closed-captioned for the hearing impaired. *Color R 100 minutes Beta Hifi stereo and VHS Dolby Stereo C: $69.95 CED: $29.98 LV: $29.98.*

STARS ON 45 (1983) This elaborate live stage film covers the past 30 years of pop music history. Tunes by Little Richard, Chuck Berry, The Beatles and performers at Woodstock are featured. *Color 71 minutes C: $39.95 CED: $24.98 LV: $29.98.*

MEDIA

CIRCUS WORLD (1964) John Wayne stars as Matt Masters, the two-fisted boss of a three-ring traveling Wild West show. Masters brings his gang to the continent and seeks to rekindle an old flame with a lover (Rita Hayworth). But along the way, he is met with such disasters as a spectacular circus fire and the sinking of a 4,000-ton freighter loaded with performers and animals. *Color 131 minutes C: $59.95.*

DARK STAR (1975) In the mid-21st century, a futuristic scoutship, armed with Exponential Thermostellar Bombs, prowls the darkest corners of the cosmos on a mission to destroy unstable planets. But one of the ship's thinking and talking bombs is lodged in the bay and is threatening to destroy the entire ship and crew! John Carpenter (Halloween) and Dan O'Bannon (Alien) star in this thrilling, adventure-packed science fiction tale. *Color G 91 minutes C: $29.95.*

EL CID (1961) Filmed on location in the breathtaking Spanish countryside, El Cid chronicles the life and times of this immortal warrior/liberator. Charlton Heston stars as the heroic crusader who freed his nation from the invading Islamic hordes in the courageous defense of Valencia. Romance, high adventure and majestic spectacle highlight this film. *Color 184 minutes C: $79.95 (double cassette package).*

PARAMOUNT

THE DEAD ZONE Based on Stephen King's best-selling novel, this suspenseful thriller stars Christopher Walken as a man who gains extraordinary psychic powers following a near-fatal accident. He is forced to decide between seeking absolute seclusion in order to escape his frightening visions, or using his "gift" to save mankind from impending evil. *Color C: $59.95 CED: $29.95 LV: $29.95.*

MISTER MAGOO...MAN OF MYSTERY The famous cartoon character plays four legendary literary and comic strip heroes in this animated full-length feature. He is seen as Dr. Watson, Dr. Frankenstein, the Count of Monte Cristo and Dick Tracy. *Color C: $39.95.*

NATE AND HAYES Set during the mid-1800s in the South Pacific, this film stars Tommy Lee Jones as the real-life swashbuckler Captain "Bully" Hayes and Michael O'Keefe as the young Reverend Nate. The movie chronicles their action-packed adventures in pursuit of a cutthroat gang which has kidnapped Nate's bride Sophie. *Color C: $59.95 CED: $29.95 LV: $29.95.*

VESTRON

THE DISAPPEARANCE (1981) Donald Sutherland portrays Jay Mallory, a hired assassin who discovers an ironic link between his new target and his missing wife. David Hemmings, John Hurt and Christopher Hurt also star. *Color R 80 minutes C.*

WARNER

STAR 80 (1983) The stormy relationship of Playboy Playmate of the Year Dorothy Stratten (Mariel Hemingway) and her manager-husband Paul Snider (Eric Roberts) is depicted. *Color R 104 minutes C: $79.95 CED: $19.98 LV: $34.98.*

ZELIG (1983) The wonderful Woody Allen stars with Mia Farrow in a biographical documentary about an extraordinary celebrity named Leonard Zelig. The film was written and directed by Allen. *B/W R 79 minutes C: $79.95 CED: $19.98 LV: $34.98.*